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FISCAL IMPACT REPORT



SPONSOR: Burpo DATE TYPED: 01/29/02 HB HM 9

SHORT TITLE: Repeal Estate Tax SB _____

ANALYST: Gilbert

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY02	FY03			
		\$24,200.2 See Narrative	Recurring	General Fund

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

LFC Files

Response Received

Taxation and Revenue Department (TRD)

SUMMARY

Synopsis of Bill

House Memorial 9 requests New Mexico's Congressional delegation to support the permanent repeal of (federal) estate tax provisions.

FISCAL IMPLICATIONS

Since New Mexico "piggybacks" on federal estate tax provisions, eliminating the federal tax effectively eliminates the state estate tax, unless separate legislation is passed to decouple from the federal provisions. For fiscal year 2001, net estate tax collections (100% distributed to the General Fund) totaled \$24.2 million.

OTHER SUBSTANTIVE ISSUES

The provisions of the federal Economic Growth and Tax Relief Reconciliation Act of 2001, which repeal the estate tax, are scheduled to sunset in 2010.

RLG/ar:prr